

ENVIRONMENTAL PROTECTION COMMISSION[567]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)"b."

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 455B.133, the Environmental Protection Commission hereby gives Notice of Intended Action to amend Chapter 23, "Emission Standards for Contaminants," Chapter 25, "Measurement of Emissions," and Chapter 34, "Provisions for Air Quality Emissions Trading Programs," Iowa Administrative Code.

The purpose of the proposed amendments is to remove from the state air quality rules EPA's Clean Air Mercury Rule (CAMR) provisions that were vacated by the United States Court of Appeals for the District of Columbia Circuit (the D.C. Court). The D.C. Court found the regulations to be unauthorized under the federal Clean Air Act (CAA) or otherwise deficient. The Department is also proposing to amend the CAMR monitoring and reporting provisions that were adopted by reference in order to remove the vacated federal regulations and to add new mercury monitoring provisions.

The vacatur of this federal program has elicited uncertainty and confusion for regulated industries and for state and local air quality agencies. Although the D.C. Court vacated the federal regulations, the regulations were adopted by reference and therefore are still in effect and enforceable by the Department. The CAMR program was intended to reduce mercury emissions from coal-fired electrical steam generating units (EGUs) at the national level and was based upon the state's participation in an EPA-managed emissions trading program. Since the federal regulations are vacated, EPA will not be running the trading program, negating the need for Iowa to retain the associated federal regulations.

The Department is amending the CAMR monitoring provisions to require that affected EGUs conduct quarterly coal sampling analysis and stack testing for mercury using approved methods and submit the results of the sampling and testing to the Department.

Item 1 amends paragraph 23.1(2)"z," standards for electric utility steam generating units (EGUs), to remove the provisions associated with CAMR for mercury emissions from coal-fired units constructed or reconstructed after January 30, 2004. The Department is removing these provisions because the D.C. Court vacated the federal CAMR program.

Item 2 amends subrule 23.1(4) to strike the text that provides cross references to the standards for mercury emissions from electric utility steam generating units (EGUs). Because this rule making removes the federal CAMR provisions from the administrative rules, this cross reference is no longer valid.

Item 3 rescinds paragraph 23.1(5)"d" which contains a cross reference to the emission guidelines for mercury for coal-fired EGUs. The emission guidelines are a component of the federal CAMR program, which was vacated by the D.C. Court. Because this rule making rescinds the provisions in Chapter 34 that are referenced in this paragraph, this cross reference is no longer valid.

Item 4 rescinds rule 567—25.3(455B). This rule adopted by reference the provisions for continuous emissions monitoring for CAMR. This rule is being rescinded because the D.C. Court vacated the federal CAMR program.

Item 5 rescinds rules 567—34.300(455B) through 567—34.306(455B), including Tables 3A and 3B. The rules include the provisions of CAMR adopted to implement the federal requirements for the program, including allocation of emissions allowances. As noted above, the D.C. Court vacated the federal CAMR program in its entirety. When these proposed amendments are adopted, a note will be added that explains the vacatur and indicates that adoption of the federal provisions for CAMR is

rescinded. The rules are reserved as placeholders for future air emissions trading programs. The note reads as follows:

“As of [insert effective date of these amendments], the requirements for the Clean Air Mercury Rule (CAMR) are rescinded and the adoption by reference of federal regulations associated with CAMR is also rescinded. On March 14, 2008, the United States Court of Appeals for the District of Columbia Circuit issued its mandate to vacate the federal CAMR regulations in their entirety.”

Item 6 amends rule 567—34.307(455B) to rescind the adoption by reference of the CAMR monitoring and reporting requirements for the same reasons as stated for Item 5. The amendment also includes new mercury testing provisions. The amendment requires owners and operators of CAMR-affected EGUs to conduct quarterly coal sampling analyses or stack testing for mercury using approved methods and to submit the results of the sampling and testing to the Department.

Item 7 rescinds and reserves rule 567—34.308(455B) for the reasons given in the summary of Item 5.

Any person may make written suggestions or comments on the proposed amendments on or before April 14, 2009. Written comments should be directed to Christine Paulson, Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, Urbandale, Iowa, 50322; fax (515)242-5094; or by electronic mail to christine.paulson@dnr.iowa.gov.

A public hearing will be held on Monday, April 13, 2009, at 1 p.m. in the conference rooms at the Department’s Air Quality Bureau office located at 7900 Hickman Road, Urbandale, Iowa. At the public hearing, comments on the proposed amendments may be submitted orally or in writing. All comments must be received no later than Tuesday, April 14, 2009.

Any person who intends to attend the public hearing and has special requirements, such as those related to hearing or mobility impairments, should contact Christine Paulson at (515)242-5154 to advise of any specific needs.

These amendments are intended to implement Iowa Code section 455B.133.

The following amendments are proposed.

ITEM 1. Amend paragraph **23.1(2)“z”** as follows:

z. Electric utility steam generating units. An electric utility steam generating unit that is capable of combusting more than 250 million Btus per hour (73 megawatts) heat input of fossil fuel for which construction or modification or reconstruction is commenced after September 18, 1978, or an electric utility combined cycle gas turbine that is capable of combusting more than 250 million Btus per hour (73 megawatts) heat input. An electric utility steam generating unit is any fossil fuel-fired combustion unit of more than 25 megawatts electric (MW) that serves a generator that produces electricity for sale. A unit that cogenerates steam and electricity and supplies more than one-third of its potential electric output capacity and more than 25 MW output to any utility power distribution system for sale is also an electric utility steam generating unit. ~~This standard also includes a provision for mercury emissions for any coal-fired electric utility steam generating unit other than an integrated gasification combined cycle electric steam generating unit, for which construction or reconstruction commenced after January 30, 2004.~~ (Subpart Da)

ITEM 2. Amend subrule 23.1(4), introductory paragraph, as follows:

23.1(4) Emission standards for hazardous air pollutants for source categories. The federal standards for emissions of hazardous air pollutants for source categories, 40 Code of Federal Regulations Part 63 as amended or corrected through July 22, 2008, are adopted by reference, except those provisions which cannot be delegated to the states. The corresponding 40 CFR Part 63 subpart designation is in parentheses. An earlier date for adoption by reference may be included with the subpart designation in parentheses. 40 CFR Part 63, Subpart B, incorporates the requirements of Clean Air Act Sections 112(g) and 112(j) and does not adopt standards for a specific affected facility. Test methods (Appendix A), sources defined for early reduction provisions (Appendix B), and determination of the fraction biodegraded (F_{bio}) in the biological treatment unit (Appendix C) of Part 63 also apply to the affected activities or facilities. For the purposes of this subrule, “hazardous air pollutant” has the same meaning found in 567—22.100(455B). For the purposes of this subrule, a “major source” means any stationary source or group of stationary sources located within a contiguous area and under

common control that emits or has the potential to emit, considering controls, in the aggregate, 10 tons per year or more of any hazardous air pollutant or 25 tons per year or more of any combination of hazardous air pollutants, unless a lesser quantity is established, or in the case of radionuclides, where different criteria are employed. For the purposes of this subrule, an “area source” means any stationary source of hazardous air pollutants that is not a “major source” as defined in this subrule. Paragraph 23.1(4) “a,” general provisions (Subpart A) of Part 63, shall apply to owners or operators who are subject to subsequent subparts of 40 CFR Part 63 (except when otherwise specified in a particular subpart or in a relevant standard) as adopted by reference below. ~~The provisions of 40 CFR Part 60, Subparts A, B, Da, and HHHH for the Clean Air Mercury Rule (CAMR), are found at subrules 23.1(2) and 23.1(5) and in 567—Chapter 34.~~

ITEM 3. Rescind paragraph **23.1(5)“d.”**

ITEM 4. Rescind rule **567—25.3(455B).**

ITEM 5. Rescind and reserve rules **567—34.300(455B) to 567—34.306(455B).**

ITEM 6. Amend rule 567—34.307(455B) as follows:

567—34.307(455B) Monitoring and reporting. ~~The provisions in 40 CFR 60.4170 through 60.4176 as amended through May 18, 2005, are adopted by reference. As of [insert effective date of these amendments], the monitoring and reporting requirements for the Clean Air Mercury Rule (CAMR) are rescinded and the adoption by reference of federal regulations associated with CAMR is rescinded. On March 14, 2008, the United States Court of Appeals for the District of Columbia Circuit issued its mandate to vacate the federal CAMR regulations in their entirety. In lieu of complying with CAMR, affected sources shall comply with the following provisions:~~

34.307(1) Affected sources subject to the vacated CAMR provisions with no mercury-specific controls shall complete either: (1) quarterly, representative composite coal sampling for mercury that meets the sampling requirements for special purpose sampling of ASTM D2234-76, any subsequent amendment to the ASTM procedure, or any future ASTM amendment approved by the department; or (2) quarterly stack testing for mercury using one of the following federal reference methods: 40 CFR 60 Appendix A, Method 29, Method 30A, or Method 30B or 40 CFR 61 Appendix B, Method 101. The use of ASTM Method D6784-02 (Ontario Hydro Method) as incorporated by reference in 40 CFR 60.17 is also acceptable. Affected sources subject to the vacated CAMR provisions with mercury-specific controls shall complete at least one coal sample analysis using the methods described above concurrently with at least one quarterly stack test using acceptable federal reference methods.

34.307(2) Stack test notifications, protocols, and test results shall be submitted to the department in accordance with 567—paragraph 25.1(7) “a.” The test results of the coal sampling shall be submitted to the department within 60 days of completion of the testing.

34.307(3) If the affected source had previously submitted a request to EPA to be designated as a low mass emitter (LME) under CAMR, the owner or operator of such unit shall, by [insert date 30 days after effective date of these amendments], submit to the department a request to be classified as an LME and to be exempt from the sampling and testing requirements of this rule.

34.307(4) Sources subject to the requirements of Clean Air Act Section 112(g) shall comply with the requirements contained in permits issued by the department under 567—Chapters 22 and 33.

34.307(5) The requirements of this rule shall apply until such time as EPA rules pertaining to the operation, certification, and reporting of mercury emissions data with continuous emissions monitoring systems (CEMS) become final and effective.

ITEM 7. Rescind and reserve rule **567—34.308(455B).**